Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 02350 191954Z

61
ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEA-02

OMB-01 SWF-02 OIC-04 AF-10 EA-11 NEA-10 DRC-01 /229 W
---------- 123136
R 191835Z APR 74
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 6745
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS UNN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION GENEVA
USMISSION USUN NEW YORK

LIMITED OFFICIAL USE EC BRUSSELS 2350

E. O. 11652: N/A
TAGS: ETRD, GATT, EEC
SUBJ: INTERNATIONAL DISCIPLINE FOR SHORT SUPPLY
ACTIONS AND RAW MATERIALS SUPPLY PROBLEMS

REF: A) STATE 74777; B) STATE 69620
C) EC BRUSSELS 1807; D) EC BRUSSELS 2311

1. SUMMARY: DISCUSSIONS WITH A NUMBER OF COMMISSION
OFFICIALS HAVE REVEALED THAT GENERAL COMMUNITY THINKING ON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 02350 191954Z

INTERNATIONAL ARRANGEMENTS FOR SHORT SUPPLY PROBLEMS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

HAS NOT PROGRESSED VERY FAR. MANY OFFICIALS ARE STILL ON EASTER LEAVE, BUT SEVERAL OF THESE STILL IN TOWN INDICATE THAT THOUGH THE COMMISSION HAS BEGUN TO STUDY THE ISSUE, THE COMMISSION IS STILL A LONG WAY FROM COMING UP WITH AN AGREED POLICY. END SUMMARY.

2. THE VISIT OF SECRETARY DENT PROVIDED AN OPPORTUNITY FOR DISCUSSION WITH COMMISSIONER SPINELLI, HIJZEN, AND OTHERS ON THE PROBLEM OF RAW MATERIAL SUPPLIES, MAINLY IN THE CONTEXT OF THE MONDALE-RIBICOFF AMENDMENT TO THE TRADE REFORM ACT (SEE REF TEL D).

3. ON APRIL 9 WE OUTLINED TO COMMISSION DIRECTORS MEYNELL AND PHAN VAN PHI U. S. OBJECTIONS TO BILATERAL APPROACHES ON SUPPLY PROBLEMS IN CONNECTION WITH ASSOCIATION ARRANGEMENTS (REFTEL B). PHAN VAN PHI FRANKLY ADMITTED THAT COMMISSION THINKING ON THIS SUBJECT IS ONLY AT A PRELIMINARY STAGE, BUT HE WAS CONSCIOUS OF THE POTENTIAL PROBLEMS THAT BILATERAL APPROACHES COULD RAISE WITH THE UNITED STATES. MYENELL ALSO EXPRESSED PERSONAL AGREEMENT THAT BILATERAL EC APPROACHES WOULD BE AN ECONOMIC MISTAKE AND COULD CAUSE SERIOUS PROBLEMS WITH THE U. S. HE WELCOMED A CLEAR STATEMENT OF U.S. POLICY ON THE ISSUE SINCE, HE SAID, SOME COMMISSION OFFICIALS ARE NOT AWARE OF THE RPBLEMS CONNECTED WITH A BILATERAL APPROACH.

4. PHAN VAN PHI EXPECTS TO BE IN PARIS NEXT WEEK FOR THE XCSS MEETING AND THE PRIOR EC CAUCUS ON APRIL 22. HE DOES NOT EXPECT THAT THE XCSS AGENDA WILL ALLOW A VERY SUBSTANTIAL DISCUSSION ON SHORT SUPPLY PROBLEMS. HE CONSIDERS THAT U. S. THINKING HAS PROGRESSED MUCH FURTHER THAN THAT OF THE COMMUNITY, THOUGH THE COMMUNITY RECOGNIZES THAT THE SUBJECT IS AN INEVITABLE ONE FOR THE MULTILATERAL TRADE NEGOTIATIONS.

5. ON APRIL 9, THE MISSION DISCUSSED INFORMALLY PRELIMINARY USG THINKING ON INTERNATIONAL DISCIPLINE FOR SHORT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 02350 191954Z

SUPPLY PROBLEMS (REFTEL A) WITH KLAUS EWIG, DIVISION CHIEF IN THE EC COMMISSION DIRECTORATE GENERAL ON EXTERNAL RELATIONS RESPONSIBLE FOR THE FOREIGN TRADE ASPECTS OF ENERGY AND INDUSTRIAL RAW MATERIALS.

6. IN RESPONSE TO THE DIFFERENT QUESTIONS POSED IN REFTEL A, PARA. E, EWIG COMMENTED THAT THE EC COMMISSION HAD NOT PROGRESSED VERY FAR IN ITS THINK-

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

ING ON LIMITATIONS ON THE USE OF EXPORT RESTRAINTS.
HE SAID THAT THERE HAD BEEN SOME THOUGHT IN CONNECTION
WITH A CODE OF GOOD CONDUCT IN THE GATT OR THE OECD,
BUT NOT MUCH WORK HAD BEEN DONE. HE SAID THAT
PERSONALLY HE BELIEVED THAT IN THE FIRST INSTANCE
ANY LIMITATIONS ON EXPORT CONTROLS WERE LIKELY TO BE
ACCEPTABLE ONLY BY THE DEVELOPED COUNTRIES. HE DID
NOT BELIEVE THE LDC'S PRODUCING RAW MATERIALS WOULD
TOLERATE ANY RESTRAINTS IN WHAT THEY CONSIDERED
THEIR SOVEREIGN RIGHTS TO CONTROL THEIR OWN RAW
MATERIALS.

7. EWIG, STILL SPEAKING PERSONALLY, SAID THAT
GUIDELINES FOR EXPORT CONTROLS THAT ONLY COVERED
DEVELOPED COUNTRIES WOULD BE USEFUL TO THE EC, AS
OVER 50PERCENT OF ITS RAW MATERIALS IMPORTS COME FROM
DEVELOPED COUNTRIES. A PRELIMINARY WORKING LEVEL
COMMISSION STUDY HAD EXPLODED THE MYTH THAT
MOST OF THE EC'S IMPORTED RAW MATERIALS CAME FROM
THE LDC (SEPTEL). EWIG SAID THAT IT WOULD SEEM
APPROPRIATE TO HAVE INITIAL SUBSTANTIVE DISCUSSIONS
IN THE OECD BEFORE MOVING THE SUBJECT TO THE GATT
IN THE MTN CONTEXT.

8. WHEN WE REMINDED HIM OF THE U. S. VIEW THAT
RAW MATERIAL SUPPLY QUESTIONS SHOULD BE DEALT WITH
MULTILATERALLY AND NOT BILATERALLY (REFTEL B),
EWIG RESPONDED THAT HE PERSONALLY AGREED AND CON-
SIDERED BILATERAL ARRANGEMENTS IN SPECIFIC COMMODI-
TIES UNWISE POLITICALLY AND NOT NECESSARY ECONOMICALLY.
MYERSON

LIMITED OFFICIAL USE

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUPPLIES, RAW MATERIALS, INTERGOVERNMENTAL COOPERATION, FOREIGN POLICY POSITION, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU02350
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740092-0525
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740430/aaaabama.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 74777; B) STATE 69620
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by boyleja>; APPROVED <10 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL DISCIPLINE FOR SHORT SUPPLY ACTIONS AND RAW MATERIALS SUPPLY PROBLEMS
TAGS: ETRD, XX, GATT, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005